GOVERNMENT OF INDIA
MINES
LOK SABHA

UNSTARRED QUESTION NO:3531
ANSWERED ON:21.12.2015
Privatisation of BALCO
Mahto Dr. Banshilal

Will the Minister of MINES be pleased to state:

(a) the time since which Bharat Aluminium Company Limited (BALCO) has been privatised;
(b) whether there has been a mention in the contract that BALCO may venture into the power generation sector in place of Aluminium;
(c) the details of personnel of BALCO who have opted for voluntary retirement and retrenched by the company; and
(d) whether the employees have pressurized by the company to move out of it and if so, the details thereof?

Answer

(a): Bharat Aluminium Company Limited (BALCO) was disinvested on 02.03.2001 when 51% of shares held by Government of India in the company were transferred alongwith management control in favour of the Strategic Partner (SP), namely, Sterlite Industries (India) Limited (SIIL).
(b): There is no specific mention in the Share Holders Agreement (SHA) signed by Government of India with SIIL at the time of disinvestment and transfer of management control that BALCO may venture into the power generation sector in place of Aluminium. However, under clause 4.5 of the SHA, the company may commence any new line of business by an affirmative vote of one authorized representative of both the Government and SP in any meeting of the Company's shareholders and by at least one nominee director each of the Government and SP at the meeting of the Board.

(c) & (d): After disinvestment and transfer of management control of the company in favour of SP on 02.03.2001, Government of India is not having any say in the day to day management of BALCO and as such, it is not privy to information relating to personnel who have opted for voluntary retirement, or who have been retrenched or pressurized by the company. However, clause 7.2(e), (f) & (g) of the SHA sufficiently safeguard the interests of the employees of the BALCO.